



# Code of Conduct



Dear Colleagues,

Our Company will achieve its Vision only if we secure the trust and confidence of our fellow employees, customers and suppliers, shareholders and financial institutions, governments and regulators, local communities and society at large. An important way of building up this confidence is to demonstrate that we are both law abiding and socially responsible in our activities. This Code of Conduct will help you to understand what the Company requires from you personally. Applying the same standards throughout the world will lead to a consistent, one company approach. Where there is no specific rule you should be guided from the standpoint of honesty, integrity and open communication. Together let us show that good behavior is good business!

A handwritten signature in black ink, which appears to read "Armin Meyer". The signature is fluid and cursive, with a long, sweeping underline.

*Armin Meyer*

Chairman of the Board  
and Chief Executive Officer

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The Group Compliance Officer  
Ciba Specialty Chemicals Holding Inc.  
CH-4002 Basel, Switzerland

Approved by the Board of Directors on April 13, 2000

## ***1. Application***

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This Code applies to all directors and employees of Ciba Specialty Chemicals Holding Inc. and of the companies and joint ventures over which it has management control.

Because of special US requirements, the US company has a separate Code which adheres to the same standards.

## ***2. Compliance with the law***

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Employees must comply with the relevant laws and regulations of all countries in which Ciba Specialty Chemicals operates and must be familiar with the laws and regulations that apply to their job. Management has a duty to provide appropriate information and instruction. Employees should refer to in-house legal counsel if they are unsure of the legal position.

## ***3. Protection of Environment, Health and Safety***

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Employees shall take the actions necessary in the course of their work to protect the environment and the health and safety of themselves, fellow employees, customers and society at large. They must comply with all environmental, health and safety laws and regulations, Ciba Specialty Chemicals Group policies and guidelines and local Ciba company and site regulations.

## ***4. Fair Treatment of Employees***

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Employees shall treat each other with equal respect and dignity and shall not discriminate on any grounds, such as race, color, religion, age, national origin, sex, disability, trade union membership, political affiliation, marital or military status. Employees shall not tolerate harassment in any form.

Employees shall also be guided by the paragraph on 'people potential' in the Company's Statement of Values, and the Company's criteria for superior leadership.

## ***5. Conflicts of Interest***

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Employees must avoid situations where they might be tempted to put their personal interests before those of the Company. Any existing conflicts must be resolved in a way which is not detrimental to the Company. Employees must not have any outside interests which could affect their judgment or willingness to act in the best interests of Ciba Specialty Chemicals e.g.

- ownership by the employee or close family member of any material interest in any organization which does business with Ciba or is a competitor of Ciba. Ownership of less than 1% of the shares of a publicly-owned company is not regarded as a material interest.

- either the employee or close family member acting as a director, senior manager, consultant or adviser to any organization which does business with Ciba.
- either the employee or close family member acting as an elected or appointed official of a public organization or agency which has any regulatory or supervisory powers over Ciba.
- employment by the employee of an individual or company for private work where that employee is responsible for procuring the services of the same individual or company to undertake work for Ciba.

If employees have an outside interest where they believe an exemption should be granted, they must obtain their manager's express approval. In difficult or long-term situations, the manager may require that the employee obtains periodic reapproval.

## ***6. Anti-Corruption***

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Employees shall not authorize or make any bribe or kickback or offer anything of value to an official of a government or government controlled entity (including state owned enterprises) for the purpose of obtaining, retaining or directing business or securing any improper advantage.

This prohibition should be distinguished from the making of facilitating payments to public officials to expedite or secure the performance of their normal duties such as issuing permits and visas or supplying facilities. In many countries such payments are condoned but employees should avoid making them if possible and must consult in-house legal counsel before doing anything which might be interpreted as an attempt to persuade a public official to show favor to the Company in obtaining or retaining business.

## ***7. Receiving Gifts***

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Employees must not accept gifts in connection with their employment except:

- normal business meals, drinks at a bar or 'corporate hospitality' events not involving extravagant travel or hotel accommodation,
- other gifts of nominal value.

If in exceptional cases employees believe they should be allowed to receive gifts in excess of the above, they may do so only if it is not likely to influence the employee's business judgment and their manager has expressly agreed.

## ***8. Competition Law Compliance***

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Employees shall comply with all relevant competition laws in accordance with the Company's Competition Law Compliance Policy. They must avoid any discussions or understandings with competitors about:

- prices charged to other companies
- reducing competition such as the imposition of production quotas or allocation of customers or territories.

They must take advice from in-house legal counsel on any other agreements or practices which may have a negative effect on competition such as:

- exclusive or long term contracts
- loyalty rebates
- restrictive clauses in distribution, research or licensing agreements.

## ***9. Insider Trading***

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'Insider information' is information not known to the public which an investor would consider relevant in deciding whether to trade in stock or other securities. It includes confidential information about plans to acquire another company, strategic alliances, financial results, product discoveries, changes in capital structure or important agreements. Employees who have insider information about Ciba or any other company shall not trade in stock or other securities of Ciba or that other company, nor shall they disclose such information to any other person.

Employees shall fully abide by the 'Insider Trading Policy Ciba Specialty Chemicals'.

## ***10. Protection of Company Property and Trade Secrets***

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Employees shall keep business information and trade secrets of all kinds confidential except to the extent they are required to disclose such information in the proper course of their duties.

Employees must not make or keep copies of reports or documents for their personal use.

They must protect company property and return it when they leave the Company.

## ***11. Duties of Ciba Specialty Chemicals and its Employees***

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Ciba has appointed a Group Compliance Officer and Regional Compliance Officers and set up Helplines to support implementation of the Code.

Employees are under a duty to comply with this Code and to take reasonable measures to discourage violations by others, including reporting on the Helpline if they cannot find a solution elsewhere. No retaliation against employees who raise issues under this Code will be tolerated.

Management will include this Code in employee training programs and will provide instruction and advice in its interpretation, referring to a Compliance Officer in cases of difficulty.

Employees failing to meet their obligations under this Code may be subject to disciplinary proceedings in accordance with local Ciba company regulations, including termination of employment for serious violations.